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Second Party Opinion

Ignitis Group Green Finance Framework

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Primary contact

Francesca Pisaroni
Milan
+393477606822
francesca.pisaroni
@spglobal.com

Location: Lithuania	**Sector:** Utilities

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✕

- ✓ Green Bond Principles, ICMA, 2025
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025
- ✓ EU Taxonomy

See Alignment Assessment for more detail.

Dark green

Activities that correspond to the long-term vision of a low-carbon climate resilient future.

Our Shades of Green Analytical Approach >

Strengths

A robust climate action plan is backed by ambitious targets. The group commits to reduce absolute scope 1 and 2 emissions and scope 3 emissions from purchased goods and services by 42%. Its overarching goal is to achieve net-zero emissions by 2040, which should contribute to the energy transition in the countries where it operates. These targets have been approved by the Science-Based Targets initiative (SBTi) as aligned with the 1.5 C warming scenario.

Weaknesses

No weaknesses to report.

Areas to watch

Proceeds may finance equity investments in other companies, including minority stakes. This could limit the issuer's ability to track the associated environmental impacts and control investee companies' activities. The issuer has confirmed these investments will likely remain exceptional and it will exclude companies that do not meet the eligibility criteria under the framework.

An open-ended list of financial instruments are eligible under the framework. Reporting may be challenging due to the short tenor of some of these instruments.

Shades of Green Projects Assessment Summary

The issuer has not provided the breakdown of refinancing versus new financing in the framework.

Based on the project categories' Shades of Green detailed below, the expected allocation of proceeds, and a consideration of environmental ambitions reflected in Ignitis Group’s Green Finance Framework, we assess the framework as Dark green.

Renewable energy	**Dark green**
Electricity generation using solar photovoltaic (PV) technology	
Electricity generation from wind power	
Transmission and distribution of electricity	
Storage of electricity	

Clean transportation	**Dark green**
Infrastructure enabling low-carbon road transport and public transport	

See Analysis Of Eligible Projects for more detail.

EU Taxonomy Assessment Summary

Under its Green Finance Framework, Ignitis Group aims to finance and refinance fixed assets, capital expenditure (capex), and operational expenditure (opex) for electricity generation using solar PV technology, onshore and offshore wind power facilities, battery energy storage systems (BESS), and infrastructure enabling low-carbon road and public transport, primarily in the Baltic states and Poland. It also aims to finance and refinance infrastructure to support renewable energy generation and distribution in Lithuania.

We think the activities financed under the framework align with the EU’s technical screening criteria (TSC) for a substantial contribution to the climate change mitigation objective and with the do no significant harm (DNSH) criteria. We also consider that, in implementing the projects, the group has processes and policies that align with the four components of the EU Taxonomy's minimum safeguards. Projects undergo mandatory environmental impact assessments (EIAs), in line with EU and national laws. The issuer has also conducted a climate risk assessment to identify physical climate risks that could affect its operations, in line with the DNSH adaptation criteria.

Economic activity	Technical screening criteria (TSC)		Minimum safeguards (Issuer level)	Overall alignment
	Substantial contribution	Do no significant harm		
4.1 Electricity generation using solar photovoltaic technology – NACE codes: D35.11, F42.22	✓	✓		✓
4.3 Electricity generation from wind power – NACE codes: D35.11, F42.22	✓	✓		✓
4.9. Transmission and distribution of electricity – NACE codes: D35.12, D35.13	✓	✓	✓	✓
4.10 Storage of electricity – No dedicated NACE code	✓	✓		✓
6.15 Infrastructure enabling low-carbon road transport and public transport – NACE codes: F42.11, F42.13, M71.12, M71.20	✓	✓		✓

Aligned = ✓ Not aligned = ✕ —

See EU Taxonomy Assessment for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Issuer Description

Ignitis Group is an integrated utility company headquartered in Vilnius, Lithuania. Its business model comprises four key segments: green capacities (wind, solar, hydro generation, and flexibility solutions), networks (electricity and gas distribution infrastructure), customers and solutions (energy supply and electric vehicle [EV] charging services), and reserve capacities (gas-fired power plants).

As of Dec. 31, 2025, the group reported consolidated revenue of approximately €2.498 billion, with installed green capacity of 2.1 gigawatts (GW). S&P Global Ratings-adjusted EBITDA reached €546.1 million, driven largely by green capacities (53.4%) and networks (48.2%), while reserve capacities contributed 6.9% and customers and solutions contributed negative 8.9%. In 2025, the group distributed 10.34 terawatt-hours (TWh) of electricity to 1.9 million customers in Lithuania and generated 3.98 TWh of electricity in the Baltics and Poland. Ignitis Group is primarily owned by the Republic of Lithuania (represented by the Ministry of Finance), which holds a controlling stake of approximately 74.99%, with the remaining shares held by institutional investors (14.00%) and retail investors (11.01%).

Material Sustainability Factors

Climate transition risks

Power generation is the largest direct source of greenhouse gas emissions globally, making this sector highly susceptible to growing public, political, legal, and regulatory pressure to accelerate climate goals. Many policymakers and regulators are pushing for a faster transition to lower-carbon energy, especially as these technologies become more mature and cost competitive. Over the past decade, we have seen multibillion-dollar impairments for most polluting assets, reflecting their weaker economic fundamentals as taxes increase and they are displaced by new, cleaner technologies. In addition, more stringent decarbonization rules may sometimes restrict their license to operate. The Baltic countries (Estonia, Latvia, and Lithuania) and Poland target major greenhouse gas emission cuts by 2030; Estonia aims for a reduction of approximately 70% vs. 1990 levels, Latvia 65%, and Lithuania at least 70%. These targets are aligned with the EU's broader 2050 climate-neutrality pathway.

Physical climate risks

Generators are relatively more exposed to physical climate risks than other sectors due to their fixed assets. Extreme weather events, including wildfires, hurricanes, and storms, are becoming more frequent and severe and can result in power outages for large populations. Water is often a significant resource for hydro, nuclear, and fossil-fuel based power plants, and exposure to flooding, drought, or warmer temperatures can negatively affect operations. These dynamics, coupled with regulatory pressure to preserve security of supply, are driving companies to enhance the resilience of assets. Physical climate risks generally involve significant financial losses for operators due to repairs and exposure to extreme power price spikes or claims due to business disruption. We expect these trends to continue but to vary regionally, depending on regulatory responses. According to The European Climate Adaptation Platform (Climate-Adapt), expected physical risks in the Baltic region include changes in temperature and salinity, increased precipitation, and sea-level rise driven by declining ice cover on the Baltic Sea.

Waste and recycling

The power generation sector constructs and operates large generation assets that produce large quantities of waste. This can prompt community resistance toward disposal sites. In addition, end-of-life management--the dismantling, and recycling, or processing of waste--exposes companies to financial, reputational, or litigation risks if not properly planned and provisioned for.

Issuer And Context Analysis

The eligible project categories address climate transition risk, the most material factor for Ignitis Group. Investments in renewable energy expansion, smart grids, energy storage, and electric mobility are key to mitigating climate transition risks. To support decarbonization, the group's 2026-2029 strategic plan targets 2.8 GW–3.2 GW of installed green capacity by 2029, prioritizing onshore wind, BESS, and pumped-storage hydro. Green capacity investments are expected to reach €1.0 billion–€1.2 billion by 2029. Additionally, the group aims to allocate €1.4 billion–€1.6 billion to the electrification and resilience of networks through infrastructure modernization. These efforts align with the group's sustainability targets. However, financed activities remain exposed to physical climate risks and waste pollution if risks are not properly managed.

Ignitis Group commits to achieve net-zero greenhouse gas emissions across its value chain by 2040. Ignitis Group's long-term (2040) targets aim for a 91.5% per kilowatt hour (kWh) reduction in scope 1 electricity/heat generation emissions and a 90% reduction in remaining absolute scope 1 and 2 emissions from a 2023 base year. Additionally, the group commits to a 90% reduction in absolute scope 3 emissions from purchased goods and services, sold fossil fuels, and energy-related activities. Scope 3 emissions constitute approximately 83% of total emissions, with use of sold products and fuel- and energy-related activities (primarily from actual sales of natural gas to both end customers and wholesalers' natural gas) representing the most prominent shares. Additionally, the group operates two regulated gas-fired power plants as system reserves and Ignitis Group does not expect to phase them out at this stage. Ignitis Group's near-term and long-term targets are validated by the SBTi, in line with strong market practice. To achieve these decarbonization targets, the group adopts measures such as green energy deployment, promoting energy efficiency and reducing consumption, and fuel switching (e.g., biomethane for business-to-business operations).

The group assesses physical climate risks for all its activities using relevant climate scenarios. In 2023, Ignitis Group conducted a climate scenario analysis to identify climate-related hazards and risks affecting its operations, including rising temperatures, changing rainfall patterns, and the increased frequency and intensity of extreme weather. This assessment utilized both a high climate-impact (4 C warming) pathway and a net-zero (<1.5 C warming) pathway across 2030 and 2050 timeframes. To enhance the assessment, the group introduced a tool to assess asset-level climate exposure using three Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSP) scenarios (SSP1-2.6, SSP2-4.5, and SSP5-8.5) across baseline, 2030-, and 2050-time horizons. The group's material risks relating to extreme weather events are addressed through broad measures designed to mitigate energy infrastructure failure.

Ignitis Group manages waste by prioritizing circular economy and waste hierarchy principles. The group promotes sustainable resource management by applying nine circular economy principles: refuse, rethink, reduce, re-use, repair, refurbish, remanufacture, repurpose, and recycle. Key initiatives include Energijos Skirstymo Operatorius (networks) implementation of circular procurement pilots, employee training, and equipment repurposing; Ignitis Renewables (green capacities) use of EIAs for sustainable procurement; and Vilnius and Kaunas Combined heat and power (cogeneration) plant (green capacities) repurposing of bottom ash and slag for construction. Furthermore, the group is developing end-of-life roadmaps for solar and wind farms to manage waste judiciously.

Alignment Assessment

This section provides an analysis of the framework's alignment to Green Bond and Loan principles.

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✕

✓ Green Bond Principles, ICMA, 2025

✓ Green Loan Principles, LMA/LSTA/APLMA, 2025

✓ Use of proceeds

We assess all the framework's green project categories as Dark green, and the issuer commits to allocating the gross proceeds issued under the framework exclusively to eligible green projects. Please refer to the Analysis Of Eligible Projects section for more information on our analysis of the environmental benefits of the expected use of proceeds.

The issuer uses the EU Taxonomy's climate mitigation substantial contribution criteria for its activities, which helps it to assess the eligibility of its assets. The issuer can finance and refinance eligible projects, and it commits to disclosing the proportion of proceeds used for each in the allocation report. The look-back period provided for green projects eligible under the framework is 24 months, in line with market practice. The issuer states that fixed assets that are not financial assets qualify for refinancing with no look-back period for proceeds issued under the framework.

Under its Green Finance Framework, Ignitis Group may allocate proceeds for the acquisition of companies and equity participation with at least 90% of revenue from activities that comply with the requirements stated in the framework. This could possibly include minority stakes, though Ignitis Group expects these investments to remain exceptional, and it mitigates risks stemming from its lack of control investees' activities through an agreed governance framework that is aligned with partners' (non-controlling shareholders) objectives and is reviewed by auditors and accounting advisers. The Green Finance Framework states that only the parent company can issue green finance instruments (in various formats, such as, but not limited to, senior unsecured, subordinated unsecured, hybrid, or project bonds; private placements; and loans) to finance or refinance eligible green projects that promote environmental progress.

✓ Process for project evaluation and selection

Both the framework outline the process for evaluating and selecting potential projects. Projects eligible for green financing will be identified by a dedicated green finance committee from various departments, including treasury, finance, sustainability, and risk management. The green finance committee, which meets at least annually, will approve eligible projects. Perceived environmental and social risks associated with the projects are identified and managed through environmental, social, and governance risk management measures, as well as internal policies and guidelines.

✓ Management of proceeds

Ignitis Group will use an internal tracking system to track and monitor the allocation of proceeds issued under the framework. Where a loan takes the form of one or more tranches, each tranche that qualifies as green shall be clearly labelled. The green finance committee is responsible for managing proceeds from the green finance instrument. If a financed project ceases to fulfil the eligibility criteria, the green finance committee will reallocate the financing to another eligible green project as soon as practicable. Pending allocation, unallocated proceeds will be managed in line with the group's cash management processes and policies.

✔ Reporting

Under its Green Finance Framework, the issuer commits to report annually on the proceeds' allocation and impact until full allocation or instrument maturity. The issuer will report on the eligible project's environmental impacts through its green finance allocation and impact report. Reports will be made available on the issuer's website.

Ignitis Group commits through the framework to provide a brief description of the financed projects within its allocation reporting. For these cases, the principles recommend that information is presented in generic terms or on a combined portfolio basis (for instance, the percentage allocated to project categories). Finally, the issuer commits to provide a limited assurance report by an independent auditor or a similar third party regarding the allocation of proceeds for any instruments issued under the framework.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "Analytical Approach: Shades Of Green Assessments".

Overall Shades of Green assessment

Based on the project category Shades of Green detailed below, the expected allocation of proceeds, and a consideration of environmental ambitions reflected in Ignitis Group's Green Finance Framework, we assess the framework as Dark green.

In line with its strategic plan, the issuer expects to allocate most proceeds towards renewable energy--roughly evenly split between distribution networks and green capacity expansion (wind, solar, and electricity storage).

Dark green

Activities that correspond to the long-term vision of a low-carbon climate resilient future.

Our Shades of Green Analytical Approach >

Green project categories

Renewable energy

Assessment	Description
Dark green	<u>Electricity generation using PV technology</u> • Construction or operation of electricity generation facilities that produce electricity using solar PV technology. <u>Electricity generation from wind power</u> • Construction or operation of electricity generation facilities that produce electricity from wind power. <u>Transmission and distribution of electricity</u> • Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system. Construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage, and low-voltage distribution systems. • The activity complies with one of the following criteria: o The transmission and distribution infrastructure or equipment is in an electricity system where the system is the interconnected European system, i.e., the interconnected control areas of EU member states, Norway, Switzerland, and the U.K., and its subordinated systems; or o The activity pertains to installation of equipment such as, but not limited to, future smart metering systems or those replacing smart metering systems in line with Article 19(6) of Directive (EU) 2019/944 of the European Parliament and of the Council , which meet the requirements of Article 20 of Directive (EU) 2019/944, support remote consumption management, and include customer data hubs. • Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant

that is more greenhouse gas intensive than 100 g CO_2e/kWh measured on a life-cycle basis is not compliant.

- Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944 is not compliant.

Storage of electricity

- Construction and operation of facilities that store electricity and return it at a later time in the form of electricity. The activity includes pumped hydropower storage.

Analytical considerations

- Renewable energy projects such as solar PV, wind power, and electricity storage are key elements in limiting global warming to well below 2 C, provided that their negative impacts on the local environment and physical risks are sufficiently mitigated. The group's investments in wind, solar, electricity storage, and distribution support the Paris Agreement's modelled pathways. This implies that almost all electricity is supplied from zero- or low-carbon sources by 2050. In addition, the issuer has taken steps to address physical climate risks and conduct impact, risks, and opportunities assessments. We therefore assess these projects as Dark green.
- Investments in solar PV and wind turbines contribute to a long-term energy system dominated by zero- and low-carbon electricity sources, in line with scenarios that limit warming to well below 2 C. There are carbon emission considerations at various stages in the life cycle of solar PV panels and wind turbines. These range from the sourcing and manufacturing of materials, their transportation, and the equipment's end of life. We note that the issuer has not yet conducted a life cycle assessment for its assets. However, it plans to mitigate these emissions as part of its net-zero commitments across its entire supply chain.
- Transmission and distribution grids must be modernized and expanded to facilitate electrification and decarbonization by increasing renewable energy integration. Through this project sub-category, the issuer will invest in Lithuania's electricity distribution systems, which serve nearly 2 million people by transporting electricity from generation to distribution points. To ensure alignment with EU Taxonomy criteria, proceeds will exclude connections to high-emitting end users or fossil fuel-related activities, specifically infrastructure serving power plants with a life-cycle carbon intensity exceeding 100 g CO_2e/kWh.
- Such investments are necessary to connect distributed renewable generation, storage, electric vehicles, and other electrified loads. That said, the climate impact ultimately depends on the emissions intensity of the electricity consumed. The electricity grid in Lithuania was 75% renewables-based in 2025, with wind accounting for 43% of total electricity generation and solar PV making up 17%, according to the International Energy Agency. Lithuania's consumption-based grid emissions remain slightly above the approximate level we typically associate with a low-carbon grid, but the country is on a strong and credible near-term decarbonization trajectory, in our view. This is reflected in the substantial carbon intensity improvements of the grid over the past five years, driven by the country's buildout of renewable generation to reduce its reliance on gas imports. Lithuania aims for 100% of its electricity consumption to come from renewable sources by 2030, supported by the build-out of 4.5 GW of onshore wind, 1.4 GW of offshore wind, and 4.1 GW of solar PV capacity. Consequently, we expect the average grid emissions factor to further reduce in the near future.
- The issuer identifies and evaluates the impact of climate change on its operations and implements measures to mitigate these. Ignitis Group uses a three-lines risk management model to ensure segregation of responsibilities among businesses, functions, and governance bodies. It is guided by a set of policies that establish principles, responsibilities, and governance mechanisms for managing sustainability impacts, risks, and opportunities.
- The issuer assesses climate change resilience as part of the planning process and evaluates physical climate risks when selecting the site and location. After an initial risk assessment, risks are assessed in more detail during the EIA or screening process, ensuring compliance and the protection of ecosystems. The issuer informed us that only certain end-of-life aspects and responsibility for dismantling are addressed in supplier contracts.

Clean transportation	
Assessment	**Description**
Dark green	Infrastructure enabling low-carbon road transport and public transport • Construction, modernization, maintenance, and operation of infrastructure that is required for zero tailpipe CO_2 operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment and infrastructure required for operating urban transport. • The activity complies with the following criteria: o The infrastructure is dedicated to the operation of vehicles with zero tailpipe CO_2 emissions including electric charging points, electricity grid connection upgrades, hydrogen fueling stations, or electric road systems. • The infrastructure is not dedicated to the transport or storage of fossil fuels.

Analytical considerations

- Mitigating greenhouse gas emissions from transportation will be crucial to meeting global decarbonization goals. The transport sector accounts for 23% of global energy-related greenhouse gas emissions, according to the Intergovernmental Panel on Climate Change. Fossil fuel-powered vehicles and vessels also create air pollution, such as nitrogen oxides and sulfur oxides.
- The decarbonization of all modes of transport will require a significant expansion of low-carbon transport infrastructure. In infrastructure projects, value chain emissions and environmental impacts can be significant and must be carefully managed--for example, by choosing low-carbon construction materials. Physical climate risks are also a material consideration for all infrastructure projects. Clean transportation infrastructure projects, including clean charging points, electricity grid connections, hydrogen fueling stations, and infrastructure that is predominantly used for low-carbon transportation projects, are eligible under this project category. We assign these projects a Dark green shade.
- Electric road transport is key to decarbonizing land transportation. The overall benefit depends on how clean the electricity grid is. The issuer intends to allocate proceeds to projects based in the Baltics. Estonia is slightly more reliant on fossil fuel sources than Lithuania and Latvia, but the countries still have relatively clean grids, and we therefore view the eligible projects as Dark green.
- Ignitis Group measures embodied emissions (scope 3 category 2), including emissions associated with the acquisition and construction of long-lived assets such as renewable energy facilities, grid infrastructure, and other capital projects. The group does not have a separate quantitative target specifically for embodied emissions from construction materials and infrastructure, but these emissions are included in its scope 3 reporting and are within the scope of its decarbonization efforts. The issuer commits to set a target for its embodied emissions in the near future.

S&P Global Ratings' Shades of Green

Assessments	**Dark green**	**Medium green**	**Light green**	**Yellow**	**Orange**	**Red**
Description	Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps towards an LCCR future but will require further improvement to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects	Wind power	Certified forestry	New energy efficient buildings	Fossil fuel buses	Conventional steel production	Oil and gas exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

EU Taxonomy Assessment

In our EU Taxonomy assessment, we opine on whether an eligible project to be financed aligns with the EU Taxonomy in cases when the economic activity is covered by technical screening criteria (TSC), which is incorporated into European law via delegated acts (see "Analytical Approach: EU Taxonomy Assessment").

Alignment Summary

Aligned = ✓ Not aligned = ✗

✓ EU Taxonomy

Under its Green Finance Framework, Ignitis Group aims to finance and refinance fixed assets, capex, and opex for electricity generation using solar PV technology, onshore and offshore wind power facilities, BESS, and infrastructure enabling low-carbon road and public transport, primarily in the Baltic states and Poland. It also aims to finance and refinance infrastructure to support renewable energy generation and distribution in Lithuania.

We think the activities financed under the framework align with the TSC for a substantial contribution to climate change mitigation and with the DNSH criteria. We also consider that, in implementing the projects, the group has processes and policies that align with the four components of the EU Taxonomy's minimum safeguards. Projects undergo mandatory EIAs, in line with EU and national laws. The issuer has also conducted a climate risk assessment to identify physical climate risks that could affect its operations, in line with the DNSH adaptation criteria.

EU Taxonomy – Detailed analysis

Aligned = ✓ Not aligned = ✗

4.1 Electricity generation using solar PV technology –NACE codes: D35.11, F42.22	
The issuer expects to finance or refinance fixed assets, capex, and opex related to solar PV electricity generation facilities, primarily in the Baltic region and Poland.	
Opinion	**Key findings**
Substantial contribution: Technical screening criteria assessment	
✓	We consider Ignitis Group's financing related to electricity generation using solar PV technology to be aligned with the TSC for a substantial contribution to the EU' s climate mitigation objective.
Do no significant harm (DNSH): Technical screening criteria assessment	
✓	According to the EU Taxonomy, this activity must not harm EU climate adaptation, circular economy, and biodiversity objectives. We consider the issuer's activity to be aligned with the DNSH TSC for climate adaptation, circular economy, and biodiversity (please see the generic DNSH table for the analysis of the DNSH criteria on climate adaptation and biodiversity). • In terms of circular economy DNSH, the group uses best-available technologies to ensure long-term efficiency, and waste generated during the construction and operation of solar parks is managed in compliance with national regulations. The group is developing a circular economy strategy featuring procurement criteria and waste management targets for key sourcing categories. This includes potential circularity criteria for PV modules to enhance durability and recyclability.

4.3 Electricity generation from wind power – NACE codes: D35.11, F42.22

The issuer expects to finance or refinance fixed assets, capex, and opex related to wind power facilities (including onshore and offshore wind farms) primarily in the Baltic region and Poland.

Opinion	Key findings
Substantial contribution: Technical screening criteria assessment	
✓	We consider Ignitis Group's financing related to electricity generation from wind power to be aligned with the TSC for a substantial contribution to the EU' s climate mitigation objective.
Do no significant harm (DNSH): Technical screening criteria assessment	
✓	According to the TSC, this activity must not harm EU climate adaptation, water, circular economy, and biodiversity objectives. We consider the issuer's activity to be aligned with the DNSH TSC for climate adaptation, water, circular economy, and biodiversity (please see the generic DNSH table for the analysis of the DNSH criteria on climate adaptation). • With regard to water, Ignitis Group commits to ensuring its activities will not hamper the achievement of Good Environmental Status, as set out in Directive 2008/56/EC of the European Parliament and of the Council. For offshore wind farm construction, the group ensures that noise and energy levels will not adversely affect the marine environment. This will be achieved through comprehensive EIAs conducted in accordance with descriptor 11 (noise/energy) of the Marine Strategy Framework Directive. • With respect to the DNSH requirement for circular economy, Ignitis Group has integrated principles of high durability, recyclability, ease of dismantling, and refurbishment in compliance with national waste management requirements. The circular economy strategies outlined in the electricity generation from solar PV technology also apply (please see the DNSH criteria for solar PV technology). • In terms of DNSH to biodiversity, the issuer commits to ensuring its activities do not hamper the achievement of Good Environmental Status, as set out in Directive 2008/56/EC. The issuer also commits to implementing measures to prevent or mitigate impacts related to descriptors 1 (biodiversity) and 6 (seabed integrity) of the Marine Strategy Framework Directive. To ensure sustainable offshore wind development, the group conducts EIAs and surveys for key projects across the Baltic region. In Estonia, the EIA program for offshore wind farms was approved by authorities in 2025; the group is currently performing marine and biological surveys covering marine processes, hydrodynamics, seawater quality, and seabed habitats, as required by law (please see the generic DNSH table for the analysis of the DNSH criteria on biodiversity).

4.9. Transmission and distribution of electricity – NACE codes: D35.12, D35.13

The issuer expects to finance or refinance fixed assets, capex, and opex related to electricity grids in Lithuania.

Opinion	Key findings
Substantial contribution: Technical screening criteria assessment	
✓	We consider Ignitis Group's financing related to the distribution of electricity to be aligned with the TSC for a substantial contribution to the EU's climate mitigation objective. • For the financing and refinancing of electricity grids, the issuer confirms the system is the interconnected European system i.e., the interconnected control areas of EU member states, Norway, Switzerland, and the U.K., and its subordinated systems; • Financing the installation or replacement of smart metering systems in compliance with Articles 19(6) and 20 of Directive (EU) 2019/944, which must support remote consumption management and include customer data hubs. The issuer confirms that the installation of metering infrastructure that does not meet these smart metering requirements will not be financed or refinanced under the framework. • Ignitis Group confirms that proceeds will not be used for developing a direct connection or expanding an existing direct connection between a substation or network and a power production plant exceeding a life cycle emission threshold of 100 g CO_2e/kWh.

Do no significant harm (DNSH): Technical screening criteria assessment	
✓	According to the EU Taxonomy, this activity must not harm EU climate adaptation, circular economy, pollution prevention, and biodiversity objectives. We consider the issuer's activity to be aligned with the DNSH TSC for climate adaptation, circular economy, pollution prevention, and biodiversity (please see the generic DNSH table for the analysis of the DNSH criteria on climate adaptation). • The group manages waste through a centralized health, safety, and environment framework and an environmental policy that enforces the waste hierarchy via strict contractor requirements and project documentation. This ensures compliance with waste DNSH requirements. The group is currently formalizing these processes through a new waste management standard and group-level treatment targets. • The construction of overhead high-voltage lines follows the principles of the International Finance Corporation's General Environmental, Health and Safety Guidelines and must comply with applicable national law. To mitigate electromagnetic radiation impacts, the group follows all applicable regulations to ensure magnetic fields remain well below 300 gigahertz. These requirements are integrated into project planning and verified through occupational risk assessments. • The group conducted a study in 2003, which confirmed that no polychlorinated biphenyls (PCBs) were used in the distribution network's legacy devices. The group also confirmed that it does not install new equipment with PCBs in financed new projects. • Ignitis Group implements several strategies to minimize the biodiversity impact of its electricity distribution activities. To prevent habitat fragmentation and reduce the footprint of protection zones in forested areas, it replaces overhead lines with underground cables and adheres to agreements with state authorities that restrict tree removal to only those necessary for network safety or maintenance. Furthermore, when planning grid modernization, the group prioritizes the protection of sensitive areas, such as Natura 2000 sites, by coordinating its activities with the State Forest Service and the State Service for Protected Areas using their specialized Geographic Information System (GIS) biodiversity data.

4.10 Storage of electricity – No dedicated NACE code

The issuer expects to finance or refinance fixed assets, capex, and opex related to the construction and operation of energy storage facilities, including pumped hydropower storage. The projects are primarily in the Baltic region and Poland.

Opinion	**Key findings**
Substantial contribution: Technical screening criteria assessment	
✓	We consider the issuer's electricity storage activities to be aligned with the TSC for substantial contribution to the EU' s climate change mitigation objective. • Ignitis Group commits to focusing its investments only on pumped hydropower connected to river bodies, since all its pumped-storage hydropower operations are currently integrated with river-connected water systems.
Do no significant harm (DNSH): Technical screening criteria assessment	
✓	According to the TSC, this activity must not harm climate adaptation, water, circular economy, and biodiversity efforts. We consider the issuer's activity to be aligned with the DNSH TSC for climate adaptation, circular economy, water, and biodiversity (please see the generic DNSH table for the analysis of the DNSH criteria on climate adaptation and biodiversity). • For the DNSH to water, the group conducts EIAs or screenings of water where it is mandated by law, and also commits to meeting the additional requirements required for pumped hydropower storage connected to river bodies. In Lithuania, the group operates a pumped storage hydroelectric plant at Kaunas lagoon and is developing projects in Kruonis. The group adheres to Lithuania's Law on Water (implementing EU Directive 2000/60/EC) and the LAND 2-95 framework. For the Kaunas hydroelectric plant, operated by an Ignitis Group subsidiary, the group obtained approval with specific operational rules from the Environmental Protection Agency. These rules empower authorities to oversee pond activities, and the group complies by submitting annual performance reports to the Environmental Protection Agency in accordance with the LAND 2-95 framework. Additionally, the group operates the Kruonis facility under a mandatory pollution permit (per Article 9(3) of the Law on Water) and monitors water indicators, including intake types and total consumption (in thousand cubic meters). • All generated waste is managed according to national laws via a management plan that prioritizes waste recycling where possible and ensures handover to a designated waste manager, thereby complying with circular economy DNSH.

6.15 Infrastructure enabling low-carbon road transport and public transport – NACE codes: F42.11, F42.13, M71.12, M71.20	
The issuer aims to finance electric charging points and station networks to serve vehicles with zero tailpipe CO_2 emissions, primarily in the Baltic region. This activity enables others to make a substantial contribution to an environmental objective under the EU Taxonomy.	
Opinion	**Key findings**
Substantial contribution: Technical screening criteria assessment	
✓	• We consider infrastructure enabling low-carbon road transport and public transport to be aligned with the TSC for substantial contribution to the EU's climate mitigation objective. • We note that the infrastructure will not be dedicated to the transport or storage of fossil fuels.
Do no significant harm (DNSH): Technical screening criteria assessment	
✓	In our view, this activity meets the DNSH requirements for climate adaptation and does not harm water, pollution prevention, circular economy, or biodiversity efforts. We consider the issuer's activity to be aligned with the DNSH TSC for climate adaptation, circular economy, pollution prevention, and biodiversity (please see the generic DNSH table for the analysis of the DNSH criteria on climate adaptation). • For DNSH to water, the group expects to primarily finance EV charging stations integrated within existing developed infrastructure, thereby minimizing potential impacts on water resources. Any water-related risks arising during the construction phase are managed through contractor requirements and environmental management procedures. • Ignitis Group manages all EV charging station installation waste in compliance with legal requirements. To achieve this, the group partners with a specialized company to manage both large-scale electronic waste (such as charging stations) and small electronic waste (such as cables). The installation process generates several waste streams, including paper, wood, plastic, glass, metal, and cable remnants. Additionally, the issuer confirms that all non-hazardous construction and demolition waste is managed in accordance with the 70% threshold required by the EU Taxonomy. • Ignitis Group mandates minimal environmental intervention, requiring contractors to prevent soil contamination and minimize noise, dust, and pollutant emissions during all construction and maintenance works, in compliance with respective laws. • Regarding the DNSH criteria for biodiversity, according to the group, the majority of the EV charging stations are installed within existing infrastructure, such as already developed parking areas, thereby avoiding additional land disturbance, habitat loss, and unnecessary impacts on natural ecosystems. Since the electric charging stations are within developed infrastructure, the risk of wildlife collisions is considered to be negligible, and the group also commits to taking necessary measures to minimize biodiversity impacts in line with the DNSH requirements.

Analysis of the generic DNSH criteria

Aligned = ✓ Not aligned = ✕

Opinion	Environmental objective	Key findings
✓	Climate adaptation	Ignitis Group demonstrates compliance with the generic DNSH requirements for climate change adaptation by following a robust, systematic risk assessment and management process. The issuer conducted a climate risk assessment in 2025, using a platform to identify and quantify physical climate risks for individual assets with projections across multiple scenarios (SSP1-2.6, SSP2-4.5, and SSP5-8.5) over the 2030- and 2050-time horizons. This platform screens climate hazards, including extreme weather events such as winter storms, rising global temperatures, and heat waves, and quantifies financial impacts, such as property damage and business interruption, to determine if additional adaptation measures are required by the group. According to the issuer, the current assessment indicates low physical climate risks that are managed through existing operational practices. Additionally, the group performed a vulnerability assessment in 2025, in accordance with Section I of Appendix A of the Climate Delegated Act, to evaluate the physical climate risks associated with its EU Taxonomy-eligible activities. The group's overall risk management process, which involves identifying risks, developing management strategies, and selecting key risk indicators, also covers

		climate risks. Furthermore, the group integrates adaptation solutions into new construction. For instance, the use of high ingress protection ratings, such as IP55-rated containers and IP67-rated battery modules, provides resilience against extreme weather for BESS.
✓	Sustainable water	To meet the DNSH criteria for the water objective, where applicable, the group carries out EIAs (which include assessments of the impact on the water environment) for all existing and new assets in accordance with the Directive 2000/60/EC.
✓	Pollution prevention	Ignitis Group confirms that its activities comply with the EU Taxonomy's generic DNSH criteria for pollution prevention and control. Raw materials do not include the substances listed in Annexes I and II of Regulation 2019/1021, or Annex II of Directive 2011/65/ EU, including mercury or mercury compounds and substances that deplete the ozone layer. It also confirms that both its manufactured products and raw materials comply with the criteria specified in sections e, f, or g of Annex C. Compliance is managed through procurement procedures, including specific requirements for hazardous substances, supplier declarations, and technical documentation. In 2025, the group surveyed its key suppliers on the presence and weight of substances restricted under REACH (Annex XVII). According to the issuer, the results confirmed that no restricted substances were declared above regulatory limits, and no threshold exceedances were identified in the supplied materials. The equipment and components used in the group's activities, including electricity network infrastructure, smart metering equipment, EV charging infrastructure, and electricity generation using PV technology and wind power, are sourced from suppliers meeting the applicable EU requirements.
✓	Biodiversity protection	For all projects in the scope of financing, Ignitis Group ensures compliance with local environmental regulations by completing EIAs. The group has conducted a GIS-based assessment of its biodiversity footprint to identify operational sites within or near sensitive ecosystems, prioritize mitigation and restoration efforts, and monitor progress. Furthermore, the group integrates biodiversity and ecosystem considerations into its core planning and operational processes to manage key biodiversity impacts.

Minimum safeguards assessment at issuer level

Aligned = ✓ Not aligned = ✕

Opinion	Key findings
✓	• Ignitis Group addresses human rights issues through a comprehensive framework of policies, due diligence, and grievance mechanisms. Central to its approach is the Group Code of Ethics and Conduct, which defines principles for respecting and safeguarding human rights and fundamental freedoms in alignment with national and international legislation, the Universal Declaration of Human Rights, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct, the U.N. Guiding Principles on Business and Human Rights, and International Labour Organization Conventions. • Ignitis Group deploys double materiality assessments, stakeholder engagement, and value chain mapping to identify material social and environmental impacts, risks, and opportunities, including human rights issues. Policies such as the supplier code of ethics and the occupational health and safety policy reinforce safe working conditions and respect for human rights to prevent and mitigate adverse impacts. To address human rights issues in the supply chain, the group conducts due diligence during supplier pre-selection. Additionally, annual assessments are performed on tier 1 suppliers and randomly selected suppliers to ensure adherence to human rights principles and EU/national labor laws. Subsequently, the group publishes a supplier code of ethics monitoring report to drive improvement and supplier communication. Non-adherence is primarily addressed through corrective action plans; however, persistent non-compliance will preclude business operations with the group. Finally, a confidential grievance mechanism, the trust line, allows employees, supply chain workers, and communities to report unethical behavior or human rights violations without fear of retaliation. • Ignitis Group maintains a zero-tolerance policy toward corruption, requiring all business partners, employees, and related parties to adhere to high standards of ethics, transparency, and legal compliance, including with EU legislation and guidelines from major financial authorities. To uphold these principles, the group has an anti-corruption management system that is aligned with ISO 37001 standards and includes annual corruption risk assessments conducted by business resilience. Oversight is multi-layered: the head of anti-corruption compliance monitors adherence and reports non-compliance to the CEO, if necessary, while the audit and risk committee supervise the bribery and corruption risk system and reports to the supervisory board. Furthermore, the group ensures awareness and accountability through mandatory training that covers important topics such as conflicts of interest, gift management, and whistleblower protection. All employees must complete this training within 30 days of being hired.

- Ignitis Group’s 2026 tax policy demonstrates a commitment to responsible tax governance by aligning internal frameworks with OECD principles. By following international guidelines, such as the OECD’s Action Plan on Base Erosion and Profit Shifting, the group aims to prevent artificial profit shifting and ensure fair taxation across all jurisdictions. The group maintains compliance by collaborating with tax authorities, legal advisors, and external experts to ensure that all decisions, policies, and processes are appropriately updated and aligned. To strengthen tax risk prevention, the group provides specialized training to tax-related functions, fostering an organizational culture of compliance. Furthermore, the group seeks advance confirmation from tax authorities via written inquiries or binding rulings, minimizing risks and preventing disputes through increased legal certainty.
- Ignitis Group promotes compliance with competition laws through a dedicated training program that provides employees and senior management with annual training, guidance notes, and practical materials. The group's lawyers are responsible for developing, updating, and implementing the training program.
- Based on external sources, following the European Commission's Platform on Sustainable Finance's recommendations on minimum safeguards, and the issuer's confirmation, we understand that the issuer has not been convicted on any of the four pillars of the minimum safeguards.

Mapping To The U.N.'s Sustainable Development Goals

Where the financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the financing to the International Capital Markets Association (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion.

The framework intend to contribute to the following SDGs:

Use of proceeds	SDGs		
Renewable energy	**7. Affordable and clean energy***	**11. Sustainable cities and communities***	**13. Climate action**
Clean transportation	**9. Industry, innovation and infrastructure**	**11. Sustainable cities and communities***	**13. Climate action**

*The eligible project categories link to these SDGs in the ICMA mapping.

Related Research

- Analytical Approach: Second Party Opinions, March 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, March 6, 2025
- Analytical Approach: Shades Of Green Assessments, July 27, 2023
- Analytical Approach: EU Taxonomy Assessment, Oct. 31, 2024

Analytical Contacts

Primary contact

Francesca Pisaroni
Milan
+393477606822
francesca.pisaroni@spglobal.com

Secondary contacts

Luisina Berberian
Madrid
+34-9-1788-7200
luisina.berberian@spglobal.com

Research contributor

Sreenidhi M K
Pune